



State of Wisconsin  
2001 - 2002 LEGISLATURE

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## 2001 ASSEMBLY BILL 132

February 19, 2001 - Introduced by Representatives KRUSICK, BALOW, BERCEAU, BLACK, BOCK, BOYLE, CARPENTER, COGGS, COLON, GRONEMUS, HEBL, HUBER, HUBLER, KREUSER, KRUG, LA FAVE, LASSA, J. LEHMAN, MEYERHOFER, MILLER, MORRIS-TATUM, PLALE, PLOUFF, POCAN, REYNOLDS, RICHARDS, RILEY, RYBA, SCHNEIDER, SCHOOFF, SERATTI, SHERMAN, SHILLING, SINICKI, STASKUNAS, STEINBRINK, TRAVIS, TURNER, WASSERMAN, WILLIAMS, WOOD and YOUNG, cosponsored by Senators ROBSON, BRESKE, BURKE, DECKER, ERPENBACH, GEORGE, GROBSCHMIDT, A. LASEE, PLACHE and RISSER, by request of Coalition of Wisconsin Aging Groups, American Association of Retired Persons, Wisconsin Citizen Action, Franklin Senior Citizens, Medical College of Wisconsin, Milwaukee Police Association, Oilgear Retirees, Wisconsin Alzheimers Association Chapter Network, Wisconsin Council of Senior Citizens, Wisconsin Federation of Nurses and Health Professionals, Wisconsin Homecare Organization, Wisconsin Retired Educators Association,. Referred to Committee on Health.

1     **AN ACT to amend** 49.47 (4) (b) 2m. b., 49.47 (4) (b) 2r., 49.47 (4) (b) 2w., 49.47 (4)  
2           (b) 3., 49.47 (4) (c) 1., 49.47 (4) (c) 3. and 49.47 (4) (i) 2. (intro.); and **to create**  
3           20.435 (4) (bv), 20.435 (4) (j), 20.435 (4) (jb), 49.47 (4) (aq), 49.688 and 100.31  
4           (2m) of the statutes; **relating to:** expanding medical assistance income  
5           eligibility requirements for individuals who are elderly, blind, or disabled;  
6           requiring pharmacies and pharmacists, as a condition of medical assistance  
7           participation, to charge elderly persons for prescription drugs no more than  
8           specific amounts; specifying requirements for rebate agreements between the  
9           department of health and family services and drug manufacturers; requiring  
10          an annual report on the sale and pricing of certain drugs and programs that

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- 1 offer discounts on drugs to consumers; requiring the exercise of rule-making  
2 authority; making appropriations; and providing penalties.
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***Analysis by the Legislative Reference Bureau***

Under current state law, pharmacies and pharmacists that are certified providers of medical assistance (MA) services are reimbursed, at a rate established by the department of health and family services (DHFS), for providing certain prescription drugs to MA recipients. Under current federal law, persons entitled to coverage under part B of medicare do not receive coverage for prescription drugs for outpatient care as a benefit.

Under current law, an individual who is 65 years of age or older, blind, or permanently disabled, is eligible to receive MA if he or she meets certain income and asset requirements. Currently, to satisfy the income requirements for MA eligibility, an individual who is 65 years of age or older, blind, or permanently disabled must have an income that does not exceed 133.33% of the maximum payment amount under the former aid to families with dependent children (AFDC) program or the combined benefit amount available under the federal supplemental security income (SSI) program.

Currently, a seller who sells drugs that are on the list of therapeutically equivalent drugs published by the federal food and drug administration to any purchaser in this state, who in turn sells the drugs to consumers, must offer the drugs to all such purchasers. These sellers must also offer the same prices, rebates, or similar incentives for purchasing these drugs to all of these purchasers.

Beginning January 1, 2002, this bill increases to 100% of the federal poverty level the maximum income level for eligibility for MA for individuals 65 years of age or older, blind, or permanently disabled.

The bill provides that, beginning January 1, 2002, persons who have applied for and have been found by DHFS to be eligible for prescription drug assistance and who have paid an annual enrollment fee of \$25 may use a card, issued by DHFS, to obtain certain prescription drugs for outpatient care at a rate that is not more than the medical assistance rate plus 5%, plus a pharmacy dispensing fee. After an eligible person has paid a deductible by expending \$500 in a 12-month period for prescription drugs at this reduced rate, the person may obtain additional prescription drugs in that period by paying a copayment of \$5 for each generic drug and a copayment of \$10 for each drug that is not a generic drug. Persons who are eligible to obtain prescription drugs for these reduced charges are state residents who are at least 65 years of age, are not MA recipients, and have household incomes, as determined by DHFS, that do not exceed 300% of the federal poverty line for a family the size of the persons' eligible families. Persons who are otherwise eligible but who have household incomes that do not exceed 175% of the federal poverty line for a family the size of the persons' eligible families may obtain prescription drugs by paying the \$5 and \$10 copayments without first paying the \$500 deductible. Persons who are otherwise eligible but who have household incomes that exceed

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300% of the federal poverty line for a family the size of the persons' eligible families must first, in a 12-month period, pay for prescription drugs, at market rate, a deductible that equals the difference between the person's annual household income and 300% of the federal poverty line; after this is paid, the persons must pay an additional \$500 deductible for prescription drugs at the reduced rate; and the persons may then obtain additional prescription drugs in the remaining amount of the 12-month period by paying the generic and nongeneric copayments. As a condition of participation by a pharmacy or pharmacist in the MA program, the pharmacy or pharmacist may not charge persons who are eligible for prescription drug assistance more than these amounts; as a part of the costs chargeable for the deductible, the pharmacy or pharmacist may include a dispensing fee but may not charge a dispensing fee after the deductible is met. If a person who is eligible has available coverage for prescription drugs, the program does not apply to the costs for prescription drugs available under that coverage.

Under the bill, DHFS or an entity with which DHFS contracts must provide to drug manufacturers material designed for use in entering into rebate agreements that are modeled on federal medicaid rebate agreements, under which the manufacturer must make payments to the state treasurer for deposit in the general fund for the manufacturer's drugs that are prescribed and purchased under the program. The amount of the rebate payment under the agreement is required to be determined by the method that is specified under the federal medicaid rebate agreements. The amounts of the rebate payments must, in turn, together with general purpose revenues under a sum sufficient appropriation created under the bill, be paid by DHFS to pharmacies or pharmacists that have reduced charges for prescription drugs for the eligible persons. Payment is at the MA rate plus 5%, minus any copayment made, plus a dispensing fee.

Under the bill, DHFS is authorized to enter into a contract with an entity to perform DHFS' duties and exercise its powers, other than rule making, under the prescription drug assistance program. DHFS must, under the bill, promulgate rules that specify the criteria to be used to determine household income for persons eligible for prescription drug assistance. Prescription drugs for which the reduced charges must be made are those that are available as an MA benefit and that are manufactured by a manufacturer that enters into a rebate agreement with DHFS. DHFS must calculate and transmit to pharmacies and pharmacists that participate in the MA program the prices at the MA rate plus 5% that must be charged to certain eligible persons in meeting the deductible for prescription drugs and must periodically update this information and transmit the updated information to pharmacies and pharmacists. DHFS must monitor compliance by pharmacies and pharmacists with the requirement to charge eligible persons for the specified prescription drugs at the reduced amounts and annually report to the legislature concerning the compliance. DHFS also must promulgate rules that establish prohibitions against fraud that are substantially similar to MA fraud provisions; the bill specifies penalties applicable to violations of these prohibitions.

If federal law is changed to provide coverage for outpatient prescription drugs as a benefit under medicare or another program, DHFS must provide a report to the

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legislature that analyzes the differences between the federal program and the program under the bill and that provides recommendations concerning alignment, if any, of the differences. The bill appropriates \$1,000,000 in general purpose revenues in fiscal year 2001-02 to DHFS for administration of the program. Further, the bill appropriates \$1,000,000 in general purpose revenues to the joint committee on finance and authorizes DHFS to submit a proposal for review and approval by the department of administration and by the joint committee on finance for expenditure of these moneys.

Lastly, the bill requires that the department of agriculture, trade and consumer protection (DATCP) prepare an annual report to be submitted to the governor and the legislature on how sellers have complied with requirements and on whether state retailers have passed on to consumers any savings resulting from these pricing requirements. The report must also describe programs that offer discounts on drugs to consumers and DATCP must publicize these programs to consumers.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 20.435 (4) (bv) of the statutes is created to read:

2           20.435 (4) (bv) *Prescription drug assistance for elderly; aids.* A sum sufficient  
3 for payment to pharmacies and pharmacists under s. 49.688 (7) for prescription drug  
4 assistance for elderly persons.

5           **SECTION 2.** 20.435 (4) (j) of the statutes is created to read:

6           20.435 (4) (j) *Prescription drug assistance for elderly; manufacturer rebates.*  
7 All moneys received from rebate payments by manufacturers under s. 49.688 (6), to  
8 be used for payment to pharmacies and pharmacists under s. 49.688 (7) for  
9 prescription drug assistance for elderly persons.

10          **SECTION 3.** 20.435 (4) (jb) of the statutes is created to read:

11          20.435 (4) (jb) *Prescription drug assistance for elderly; enrollment fees.* All  
12 moneys received from payment of enrollment fees under s. 49.688 (3), to be used for  
13 administration of the program under s. 49.688.

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1           **SECTION 4.** 49.47 (4) (aq) of the statutes is created to read:

2           49.47 (4) (aq) 1. Subject to subd. 2., an individual who does not meet the  
3           limitation on income under par. (c) is eligible for medical assistance if the individual's  
4           income does not exceed 100% of the federal poverty level, and the individual is 65  
5           years of age or older or is blind or totally and permanently disabled, as defined under  
6           federal Title XVI.

7           2. If a federal waiver is necessary to provide medical assistance to individuals  
8           specified in subd. 1., the department shall request a waiver from the secretary of the  
9           federal department of health and human services before providing medical  
10          assistance under this paragraph.

11          **SECTION 5.** 49.47 (4) (b) 2m. b. of the statutes is amended to read:

12          49.47 (4) (b) 2m. b. For persons who are eligible under par. (a) 3. or 4. or (aq),  
13          motor vehicles are exempt from consideration as an asset to the same extent as  
14          provided under 42 USC 1381 to 1385.

15          **SECTION 6.** 49.47 (4) (b) 2r. of the statutes is amended to read:

16          49.47 (4) (b) 2r. For a person who is eligible under par. (a) 3. or 4. or (aq), the  
17          value of any burial space or agreement representing the purchase of a burial space  
18          held for the purpose of providing a place for the burial of the person or any member  
19          of his or her immediate family.

20          **SECTION 7.** 49.47 (4) (b) 2w. of the statutes is amended to read:

21          49.47 (4) (b) 2w. For a person who is eligible under par. (a) 3. or 4. or (aq), life  
22          insurance with cash surrender values if the total face value of all life insurance  
23          policies is not more than \$1,500.

24          **SECTION 8.** 49.47 (4) (b) 3. of the statutes is amended to read:

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1           49.47 (4) (b) 3. For a person who is eligible under par. (a) 3. or 4. or (aq), funds  
2 set aside to meet the burial and related expenses of the person and his or her spouse  
3 in an amount not to exceed \$1,500 each, minus the sum of the cash value of any life  
4 insurance excluded under subd. 2w. and the amount in any irrevocable burial trust  
5 under s. 445.125 (1) (a).

6           **SECTION 9.** 49.47 (4) (c) 1. of the statutes is amended to read:

7           49.47 (4) (c) 1. Except as provided in ~~par.~~ pars. (am) and (aq) and as limited by  
8 subd. 3., eligibility exists if income does not exceed ~~133 1/3%~~ 133.33% of the  
9 maximum aid to families with dependent children payment under s. 49.19 (11) for  
10 the applicant's family size or the combined benefit amount available under  
11 supplemental security income under 42 USC 1381 to 1383c and state supplemental  
12 aid under s. 49.77 whichever is higher. In this subdivision "income" includes earned  
13 or unearned income that would be included in determining eligibility for the  
14 individual or family under s. 49.19 or 49.77, or for the aged, blind, or disabled under  
15 42 USC 1381 to 1385. "Income" does not include earned or unearned income which  
16 would be excluded in determining eligibility for the individual or family under s.  
17 49.19 or 49.77, or for the aged, blind, or disabled individual under 42 USC 1381 to  
18 1385.

19           **SECTION 10.** 49.47 (4) (c) 3. of the statutes is amended to read:

20           49.47 (4) (c) 3. Except as provided in ~~par.~~ pars. (am) and (aq), no person is  
21 eligible for medical assistance under this section if the person's income exceeds the  
22 maximum income levels that the U.S. department of health and human services sets  
23 for federal financial participation under 42 USC 1396b (f).

24           **SECTION 11.** 49.47 (4) (i) 2. (intro.) of the statutes is amended to read:

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1           49.47 (4) (i) 2. (intro.) Notwithstanding par. (b) 2r. and 3., a person who is  
2 described in par. (a) 3. or 4. or (aq) is not eligible for benefits under this section if any  
3 of the following criteria is met:

4           **SECTION 12.** 49.688 of the statutes is created to read:

5           **49.688 Prescription drug assistance for low-income elderly persons.**

6           **(1)** In this section:

7           (a) “Generic name” has the meaning given in s. 450.12 (1) (b).

8           (b) “Poverty line” means the nonfarm federal poverty line for the continental  
9 United States, as defined by the federal department of labor under 42 USC 9902 (2).

10           (c) “Prescription drug” means a prescription drug, as defined in s. 450.01 (20),  
11 that is included in the drugs specified under s. 49.46 (2) (b) 6. h. and that is  
12 manufactured by a manufacturer that enters into a rebate agreement in force under  
13 sub. (6).

14           (d) “Prescription order” has the meaning given in s. 450.01 (21).

15           (e) “Program payment rate” means the rate of payment made for the identical  
16 drug specified under s. 49.46 (2) (b) 6. h., plus 5%.

17           **(2)** (a) A person to whom all of the following applies is eligible to purchase a  
18 prescription drug for the amounts specified in sub. (5) (a) 1. and 2.:

19           1. The person is a resident, as defined in s. 27.01 (10) (a), of this state.

20           2. The person is at least 65 years of age.

21           3. The person is not a recipient of medical assistance.

22           4. The person’s annual household income, as determined by the department,  
23 does not exceed 300% of the federal poverty line for a family the size of the person’s  
24 eligible family.

25           5. The person pays the program enrollment fee specified in sub. (3) (a).

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1 (b) A person to whom par. (a) 1. to 3. and 5. applies, but whose annual household  
2 income, as determined by the department, exceeds 300% of the federal poverty line  
3 for a family the size of the person's eligible family, is eligible to purchase a  
4 prescription drug at the amounts specified in sub. (5) (a) 4. only during the remaining  
5 amount of any 12-month period in which the person has first paid the annual  
6 deductible specified in sub. (3) (b) 2. a. in purchasing prescription drugs at the retail  
7 price and has then paid the annual deductible specified in sub. (3) (b) 2. b.

8 (3) Program participants shall pay all of the following:

9 (a) For each 12-month benefit period, a program enrollment fee of \$25.

10 (b) 1. For each 12-month benefit period, for a person specified in sub. (2) (a),  
11 a deductible for prescription drugs of \$500, except that a person whose annual  
12 household income, as determined by the department, is 175% or less of the federal  
13 poverty line for a family the size of the person's eligible family pays no deductible.

14 2. For each 12-month benefit period, for a person specified in sub. (2) (b), a  
15 deductible for prescription drugs that equals all of the following:

16 a. The difference between the person's annual household income and 300% of  
17 the federal poverty line for a family the size of the person's eligible family.

18 b. Five hundred dollars.

19 (c) After payment of any applicable deductible under par. (b), all of the  
20 following:

21 1. A copayment of \$5 for each prescription drug that bears only a generic name.

22 2. A copayment of \$10 for each prescription drug that does not bear only a  
23 generic name.

24 (d) Notwithstanding s. 49.002, if a person who is eligible under this section has  
25 other available coverage for payment of a prescription drug, this section applies only

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1 to costs for prescription drugs for the person that are not covered under the person's  
2 other available coverage.

3 (4) The department shall devise and distribute a form for application for the  
4 program under sub. (2), shall determine eligibility of applicants for each 12-month  
5 benefit period, and shall issue to eligible persons a prescription drug card for use in  
6 purchasing prescription drugs, as specified in sub. (5). The department shall  
7 promulgate rules that specify the criteria to be used to determine household income  
8 under sub. (2) (a) 4. and (b) and (3) (b) 1.

9 (5) (a) Beginning January 1, 2002, as a condition of participation by a  
10 pharmacy or pharmacist in the program under s. 49.45, 49.46, or 49.47, the  
11 pharmacy or pharmacist may not charge a person who presents a valid prescription  
12 order and a card indicating that he or she meets eligibility requirements under sub.  
13 (2) an amount for a prescription drug under the order that exceeds the following:

14 1. For a deductible, as specified in sub. (3) (b) 1. and 2. b., the program payment  
15 rate, plus a dispensing fee that is equal to the dispensing fee permitted to be charged  
16 for prescription drugs for which coverage is provided under s. 49.46 (2) (b) 6. h.

17 2. After any applicable deductible under subd. 1. is charged, the copayment, as  
18 applicable, that is specified in sub. (3) (c) 1. or 2. No dispensing fee, as specified under  
19 subd. 1., may be charged to a person under this subdivision.

20 3. For a deductible, as specified in sub. (3) (b) 2. a., the retail price.

21 4. After the deductible under subd. 3. is charged, the copayment, as applicable,  
22 that is specified in sub. (3) (c) 1. or 2. No dispensing fee, as specified under subd. 1.,  
23 may be charged to a person under this subdivision.

24 (b) The department shall calculate and transmit to pharmacies and  
25 pharmacists that are certified providers of medical assistance amounts that may be

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1 used in calculating charges under par. (a). The department shall periodically update  
2 this information and transmit the updated amounts to pharmacies and pharmacists.

3 (6) The department or an entity with which the department contracts shall  
4 provide to a drug manufacturer that sells drugs for prescribed use in this state  
5 material designed for use by the manufacturer in entering into a rebate agreement  
6 with the department or entity that is modeled on the rebate agreement specified  
7 under 42 USC 1396r-8. A rebate agreement under this subsection shall include all  
8 of the following as requirements:

9 (a) That the manufacturer shall make rebate payments for each prescription  
10 drug of the manufacturer that is prescribed for and purchased by persons who meet  
11 criteria under sub. (2) (a) and persons who meet criteria under sub. (2) (b) and have  
12 paid the deductible under sub. (3) (b) 2. a., to the state treasurer to be credited to the  
13 appropriation under s. 20.435 (4) (j), each calendar quarter or according to a schedule  
14 established by the department.

15 (b) That the amount of the rebate payment shall be determined by a method  
16 specified in 42 USC 1396r-8 (c).

17 (7) From the appropriation accounts under s. 20.435 (4) (bv) and (j), beginning  
18 January 1, 2002, the department shall, under a schedule that is identical to that used  
19 by the department for payment of pharmacy provider claims under medical  
20 assistance, provide to pharmacies and pharmacists payments for prescription drugs  
21 sold by the pharmacies or pharmacists to persons eligible under sub. (2) who have  
22 paid the deductible specified under sub. (3) (b) 1. or 2. or who, under sub. (3) (b) 1.,  
23 are not required to pay a deductible. The payment for each prescription drug under  
24 this subsection shall be at the program payment rate, minus any copayment paid by  
25 the person under sub. (5) (a) 2. or 4., plus a dispensing fee, as specified under sub.

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1 (5) (a) 1., and plus, if applicable, incentive payments that are similar to those  
2 provided under s. 49.45 (8v). The department shall devise and distribute a claim  
3 form for use by pharmacies and pharmacists under this subsection and may limit  
4 payment under this subsection to those prescription drugs for which payment claims  
5 are submitted by pharmacists or pharmacies directly to the department. The  
6 department may apply to the program under this section the same utilization and  
7 cost control procedures that apply under rules promulgated by the department to  
8 medical assistance under subch. IV of ch. 49.

9 (8) The department shall monitor compliance by pharmacies and pharmacists  
10 that are certified providers of medical assistance with the requirements of sub. (5)  
11 and shall annually report to the legislature under s. 13.172 (2) concerning the  
12 compliance. The report shall include information on any pharmacies or pharmacists  
13 that discontinue participation as certified providers of medical assistance and the  
14 reasons given for the discontinuance.

15 (9) (a) The department shall promulgate rules relating to prohibitions on fraud  
16 that are substantially similar to applicable provisions under s. 49.49 (1) (a).

17 (b) A person who is convicted of violating a rule promulgated by the department  
18 under par. (a) in connection with that person's furnishing of prescription drugs under  
19 this section may be fined not more than \$25,000, or imprisoned for not more than 7  
20 years and 6 months, or both.

21 (c) A person other than a person specified in par. (b) who is convicted of violating  
22 a rule promulgated by the department under par. (a) may be fined not more than  
23 \$10,000, or imprisoned for not more than one year in the county jail, or both.

24 (10) If federal law is amended to provide coverage for prescription drugs for  
25 outpatient care as a benefit under medicare or to provide similar coverage under

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1 another program, the department shall submit to the appropriate standing  
2 committees of the legislature under s. 13.172 (3) a report that contains an analysis  
3 of the differences between such a federal program and the program under this section  
4 and that provides recommendations concerning alignment, if any, of the differences.

5 (11) Except as provided in subs. (8) to (10) and except for the department's  
6 rule-making requirements and authority, the department may enter into a contract  
7 with an entity to perform the duties and exercise the powers of the department under  
8 this section.

9 **SECTION 13.** 100.31 (2m) of the statutes is created to read:

10 100.31 (2m) ANNUAL REPORT AND PUBLICITY ON SELLER DISCOUNT PROGRAMS.  
11 Before March 1 annually, the department shall submit a report to the governor, and  
12 to the chief clerk of each house for distribution to the appropriate standing  
13 committees under s. 13.172 (3), on compliance of sellers with sub. (2) and on whether  
14 purchasers have passed on to consumers any savings resulting from sellers'  
15 compliance with sub. (2) during the preceding year. The report shall also describe  
16 programs offered by sellers and others that offer discounts on drugs to consumers.  
17 Within the limits of available resources, the department shall publicize these  
18 programs to consumers. In preparing the report, the department shall consult with  
19 sellers, purchasers, and consumers, including elderly consumers.

20 **SECTION 14. Nonstatutory provisions.**

21 (1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION. Before July 1,  
22 2002, the department of health and family services may develop and submit to the  
23 department of administration a proposal for expenditure of the funds appropriated  
24 under section 20.865 (4) (a) of the statutes for administration of the prescription drug  
25 assistance for elderly program under section 49.688 of the statutes, as created by this

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1 act. The department of administration may approve, disapprove, or modify and  
2 approve any proposal it receives under this subsection. If the department of  
3 administration approves the proposal, the department shall submit the proposal,  
4 together with any modifications, to the cochairpersons of the joint committee on  
5 finance. If the cochairpersons of the committee do not notify the secretaries of  
6 administration and health and family services within 14 working days after  
7 receiving the proposal that the cochairpersons have scheduled a meeting for the  
8 purpose of reviewing the proposal, the secretary of administration may transfer from  
9 the appropriation under section 20.865 (4) (a) of the statutes to the appropriation  
10 under section 20.435 (4) (a) of the statutes the amount specified in the proposal or  
11 any proposed modifications of the proposal for expenditure as specified in the  
12 proposal or any proposed modifications of the proposal and may approve any position  
13 authority specified in the proposal or any proposed modifications of the proposal. If,  
14 within 14 working days after receiving the proposal, the cochairpersons notify the  
15 secretaries of administration and health and family services that the cochairpersons  
16 have scheduled a meeting for the purpose of reviewing the proposal, the secretary of  
17 administration may not transfer any amount specified in the proposal or any  
18 proposed modifications of the proposal from the appropriation under section 20.865  
19 (4) (a) of the statutes and may not approve any position authority specified in the  
20 proposal or any proposed modifications of the proposal, except as approved by the  
21 committee.

**SECTION 15. Appropriation changes.**

22  
23 (1) EXPANSION OF MEDICAL ASSISTANCE ELIGIBILITY. In the schedule under section  
24 20.005 (3) of the statutes for the appropriation to the department of health and family  
25 services under section 20.435 (4) (b) of the statutes, as affected by the acts of 2001,

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1 the dollar amount is increased by \$600,000 for fiscal year 2001-02 and the dollar  
2 amount is increased by \$1,200,000 for fiscal year 2002-03 to increase funding for  
3 providing medical assistance benefits to individuals eligible under section 49.47 (4)  
4 (aq) of the statutes, as created by this act.

5 (2) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADMINISTRATION. In the schedule  
6 under section 20.005 (3) of the statutes for the appropriation to the department of  
7 health and family services under section 20.435 (4) (a) of the statutes, as affected by  
8 the acts of 2001, the dollar amount is increased by \$1,000,000 for fiscal year 2001-02  
9 to increase funding for administration of the prescription drug assistance for elderly  
10 program under section 49.688 of the statutes, as created by this act.

11 (3) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY; ADDITIONAL ADMINISTRATION. In  
12 the schedule under section 20.005 (3) of the statutes for the appropriation to the joint  
13 committee on finance under section 20.865 (4) (a) of the statutes, as affected by the  
14 acts of 2001, the dollar amount is increased by \$1,000,000 for fiscal year 2001-02 to  
15 increase funding for administration of the prescription drug assistance for elderly  
16 program under section 49.688 of the statutes, as created by this act.

**SECTION 16. Initial applicability.**

17 (1) MEDICAL ASSISTANCE ELIGIBILITY. The treatment of section 49.47 (4) (aq), (b)  
18 2m. b., 2r., 2w., and 3., (c) 1. and 3., and (i) 2. (intro.) of the statutes first applies to  
19 eligibility determinations made for medical assistance on the effective date of this  
20 subsection.  
21

22 **SECTION 17. Effective dates.** This act takes effect on the 2nd day after  
23 publication of the biennial budget act, except as follows:

24 (1) PRESCRIPTION DRUG ASSISTANCE FOR ELDERLY. The treatment of section 20.435  
25 (4) (bv) of the statutes takes effect on January 1, 2002.

